

**Joint Light Tactical Vehicle
Draft Solicitation Update
17 November 2011**

1. Purpose. To provide Industry with the latest information regarding the Draft JLTV RFP release on 3 October 2011. Information provided is for planning purposes only.

2. Updates

a. The affordability cap for each EMD base contract award is anticipated to be increased to \$65M from \$52M. The EMD Solicitation CLIN structure will be similar to what was released as DRAFT (separate hardware from remainder of EMD effort), however the entire base contract effort is now intended to be Firm Fixed Price (FFP) CLINS, and the option CLIN for vehicle repair is intended to be modified to a Fixed Price Level of Effort (vs. CPFF) and will include different labor category rates.

b. The Government does not intend to include Tiers in a final RFP and will therefore not define these Tiers. For EMD source selection, the Government will assess each offeror's engineering design maturity, as well as selected Purchase Description (PD) requirements for which compliance is of significant importance to the Government, as defined in Attachment FF (being revised) under the Performance Sub-Factor. For Low-Rate Initial Production (LRIP) source selection, it is intended that offerors will have EMD test results demonstrating compliance to the Attachment FF requirements along with compliance to other PD requirements. EMD offerors should develop their JLTV designs to maximize requirements compliance.

c. The relative order of importance of Factors in Section L+M is intended to be modified in the following manner, to move Price from lowest rated factor as follows: Technical is slightly more important than Program Management; Program Management is significantly more important than Past Performance; Past Performance is more important than Price; Price is slightly more important than Small Business Participation. The non-Price factors, when combined, are significantly more important than the Price factor.

- i) With regard to the Program Management Sub-Factor "Unit Manufacturing Cost", the Government intends to remove all language regarding a step-down factor of 2-3. A final RFP is intended to state that the Government will:
 - (a) Assess the completeness, credibility, and realism of the Offerors' UMC estimates, and
 - (b) Generate confidence evaluations for the JLTV-GP UMC values for the Offerors' proposed JLTV-GP vehicle designs and evaluate the Offerors' UMC estimates relative to the JLTV-GP vehicle UMC target of \$260K [using the assumptions in Section L].

d. The Government took the action to re-look the quantity and frequency of CDRLs in the Draft RFP, and intends to reduce the quantity from 100 to approximately 78, and the frequency of submissions from about 400 to 272.

e. The Government has considered staggered delivery of prototype vehicles past 12 months (due after contract award), but believes that the 12-month delivery schedule to provide 20 prototype vehicles both balances industry's concerns and supports the aggressive EMD test schedule.

f. The Government was asked for the definition of AUMC (Average Unit Manufacturing Cost) and UMC (Unit Manufacturing Cost). The AUMC is intended to be defined in the statement of work as follows:

'AUMC is defined as average cost to the USG to buy JLTV base vehicles (averaged across all configurations). The unit manufacturing cost should reflect a projected vehicle contract price for each configuration, to include all direct and indirect costs. Unit manufacturing costs should include all overhead applicable to vehicle contract prices, including General and Administrative (G&A), Cost of Money, and Profit. Non-recurring costs must be accounted for, and may be amortized over the vehicle quantity buy. The recurring costs include the costs of material, labor, and other expenses incurred in the fabrication, checkout, and processing of parts, subassemblies, and major assemblies/subsystems needed for the final system. The manufacturing cost also includes recurring costs of subcontractors and purchased parts/equipment. The manufacturing cost further includes recurring costs of the efforts to integrate and

assemble the various subassemblies into a working system, recurring costs to install special and general equipment, and recurring costs to paint and package the system for shipment to its acceptance destination. It also includes moves in order to assemble into a final system. This is the price of the vehicle rolling off the line in its basic configuration, before B-Kit armor or kits (as defined in the JLTV Purchase Description (Attachment 1) are added.'

The definition of UMC for Section L evaluation (only for the JLTV-GP) is intended to be defined as follows:

'The unit manufacturing cost should reflect a projected vehicle contract price for the JLTV-GP, to include all direct and indirect costs. Unit manufacturing costs should include all overhead applicable to vehicle contract prices, including General and Administrative (G&A), Facilities Capital Cost of Money (FCCM), and Profit (for evaluation purposes use 10% profit rate). Non-recurring costs must be accounted for, and may be amortized over the vehicle quantity buy. The recurring costs include the costs of material, labor, and other expenses incurred in the fabrication, checkout, and processing of parts, subassemblies, and major assemblies/subsystems needed for the final system. The manufacturing cost also includes recurring costs of subcontractors and purchased parts/equipment. The manufacturing cost further includes recurring costs of the efforts to integrate and assemble the various subassemblies into a working system, recurring costs to install special and general equipment, and recurring costs to paint and package the system for shipment to its acceptance destination. It also includes moves in order to assemble into a final system.'